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## MEMORANDUM

To: Plans Management Board Members  
From: John Meyer, Director of Contributions and Plan Management  
Sent: March 7, 2023  
Subject: **March Meeting- Committee Reports and Action Items**

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The Plans Management Board (“Board”) will meet on March 7, 2023. The Board will receive reports from the Audit and Governance Committee (“AGC”), the Investment Committee (“IC”) and updates from the Office of State Treasurer (“OST”). The AGC assembled virtually on February 7, 2023. The AGC discussed committee goals, SECURE Act 2.0 legislative changes, the 2023 MOU with the Office of the Auditor of Accounts (“AOA”), and a cyber security presentation by Fidelity. The IC convened virtually on February 14, 2023. In addition to the quarterly investment reports presented by CAPTRUST, the IC discussed the T. Rowe Price Blue Chip Growth I fund with the firm’s portfolio management team, committee goals, the tier two investment array, and the extension of the CAPTRUST agreement. The committees and OST present the following items to Board:

### Committee Goals

During the February meetings, the AGC and IC discussed 2023 goals for committee work. The AGC is recommending focusing on SECURE Act 2.0 changes, operational matters as they relate to the plans, contract extension feedback on the external audit firm, the development of vendor management and cyber security policies, and the Memorandum of Understanding with the Auditor’s office. Audit presentations will be scheduled for the August 2022 and November 2022 meetings. The IC outlined goals to include the annual reviews of the investment policy statements for the deferred compensation and college plans, the target date fund provider, the managed account provider, and the self-directed brokerage vendor. The IC also discussed reviewing potential IRA providers for the small balance involuntary distributions at a 2023 meeting. Additional IC agenda topics may include items relating expanding the investment options within tier two of the deferred compensation plans and the investment strategy for the college administrative fund.

Action Item: Motion to approve the 2022 committee goals.

### **Memorandum of Understanding (“MOU”) with AOA**

The AGC discussed the MOU with AOA. The 2023 MOU is consistent with the 2022 MOU that the Board approved in December 2022. The MOU outlines a rate of 10% to be assessed by AOA for work relating to the 2022 plan year audits.

Action Item: Motion to approve the MOU with AOA for work relating to the 2022 plan year audits.

### **Replacement of the T. Rowe Price Blue Chip Growth I Fund**

The Board approved adding the T. Rowe Price Blue Chip Growth I Fund to the watch list at the December 2022 meeting. The fund is available to deferred compensation plan participants. The IC received updates on the fund from CAPTRUST and the portfolio manager from T. Rowe Price at the February meeting. The IC reviewed possible replacement options and voted to recommend that the T. Rowe Price Blue Chip Growth I Fund be replaced with the JPMorgan Large Cap Growth R6 fund.

Action Item: Motion to replace T. Rowe Price Blue Chip Growth I fund with the JPMorgan Large Cap Growth R6 fund.

### **CAPTRUST Contract Extension**

In March 2020, the Board approved a three-year contract with two one-year extensions to CAPTRUST for the purpose of providing investment advisory and consulting services to the Board for the 457(b), 403(b), 401(a) and 529 plans. The IC discussed the first one-year extension and recommends to the Board.

Action Item: Motion to approve the first of the two one-year extensions to the investment advisory and consulting services agreement with CAPTRUST.

### **College Trust Administrative Account Authority**

In February 2022, a new account was set up for the Delaware Qualified Savings Trust at Fidelity. The purpose of this new account was to aid in the administration of the First State, First Steps incentive program. Fidelity is requesting the Board’s approval for Fidelity to take direction from the staff of the Contributions and Plan Management Division at OST. This approval would allow staff to execute transactions from the account similar to the existing administrative accounts for the 529 Plan and the deferred compensation plans

Action Item: Motion to direct Fidelity to take direction from the OST staff.

### **2023 Plans Administrative Budget**

Per the budget policy, OST is responsible for developing an annual budget for the administration of the deferred compensation and college investment plans. OST will present a draft budget for approval by the Board.

Action Item: Motion to approve the 2023 administrative budget for the plans.